NATIONAL RECOVERY ADMINISTRATION

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

VISE MANUFACTURING INDUSTRY

(A Division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry)

AS APPROVED ON SEPTEMBER 1, 1934

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Approved Code No. 84—Supplement No. 50

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

VISE MANUFACTURING INDUSTRY

As Approved on September 1, 1934

ORDER

APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE VISE MANUFACTURING INDUSTRY

A DIVISION OF THE FABRICATED METAL PRODUCTS MANUFACTURING AND METAL FINISHING AND METAL COATING INDUSTRY

An application having been duly made pursuant to and in fulll compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, and in accordance with the provisions of Section 1 of Article VI of the Basic Code for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved November 2, 1933, for approval of a Supplementary Code of Fair Competition for the Vise Manufacturing Industry and hearing having been duly held thereon; and the annexed report on said Supplementary Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543–A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Supplementary Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Supplementary Code of Fair Competition be and it is hereby approved.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

BARTON W. MURRAY,
Division Administrator.

WASHINGTON, D.C.,
September 1, 1934.

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REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

Sir: This is a report on the Supplementary Code of Fair Competition for the Vise Manufacturing Industry, a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, the hearing having been conducted thereon in Washington, D.C., May 10, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Vise Manufacturing Industry, being truly representative of this division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, has elected to avail itself of the option of submitting a Supplementary Code of Fair Competition, as provided for in Section 1 of Article VI of the Basic Code, for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry approved by you on the second day of November, 1933.

RÉSUMÉ OF THE CODE

Article I states the purpose of the Supplementary Code.

Article II accurately defines specific terms employed in the Supplementary Code.

Article III. This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and the labor provisions of its Basic Code, as approved November 2, 1933, are the labor provisions of this Supplementary Code.

Article IV establishes a Supplementary Code Authority consisting of five (5) members to be elected at a meeting called by the Temporary Supplementary Code Authority, and gives the Administrator the authority to appoint one additional member without vote and provides machinery for obtaining statistics and the administration of the Supplementary Code.

Article V provides for cost finding and accounting.

Article VI provides for open price filing.

Article VII provides means for preventing destructive price cutting.

Article VIII sets forth the unfair trade practices of this Supplementary Code which have been especially designed to offset unfair competition in this division of the Industry.

Article IX sets forth that no provisions of this Supplementary Code relating to prices or terms of selling, shipping or marketing, shall apply to export trade.

Article X contains the mandatory provisions contained in Section 10 (b) of the Act and also provides for the submission of proposed amendments to the Supplementary Code.

Article XI provides against monopolies and monopolistic practices.

Article XII recognizes that price increases be limited to actual additional increases in the seller's costs.

Article XIII states the effective date and duration of this Supplementary Code.

FINDINGS

The Acting Deputy Administrator in his final report to me on said Supplementary Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) Said Supplementary Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purposes of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Supplementary Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant association is an industrial association truly representative of the aforesaid industry; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Supplementary Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Supplementary Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Supplementary Code.

For these reasons, therefore, I have approved this Supplementary Code.

Respectfully,

HUGH S. JOHNSON,
Administrator.

SEPTEMBER 1, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE VISE MANUFACTURING INDUSTRY

A Division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry

Article I—Purposes

To effectuate the policy of Title 1 of the National Industrial Recovery Act, the following provisions are established as a Supplementary Code of Fair Competition for the Vise Manufacturing Industry, pursuant to Article VI of the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved by the President of the United States on the 2nd day of November, 1933, and the provisions of this Supplementary Code shall be the Standards of Fair Competition for the Industry and shall be binding on every member thereof.

Article II—Definitions

Section 1. The term "Vise Manufacturing Industry", hereafter referred to as "the Industry", is defined to mean the manufacture for sale of metal Vises, commonly known to the trade as Machinists, Filers, Coachmakers, Steamfitters, Combination Vises, Woodworking Vises, Clamp Vises, Solid Box Vises, Cabinetmakers, Bodymakers, Patternmakers, Toolmakers, Universal Vises, Machinists Bench Vises, Farmers Vises, Carpenters Vises, Oval Slide Vises, Garage and/or Utility Vises (otherwise termed Steel Bar Vises), Universal Vises, Home Workshop Vises or Home and Garage Vises, or any metal Vises used for the same purpose as the above listed Vises are used and not specifically named herein.

Section 2. The term "employee" as used herein, includes any and all persons engaged in the Industry however compensated, except a member of the Industry.

Section 3. The term "employer" as used herein, includes any one by whom any such employee is compensated or employed.

Section 4. The term "member of the Industry" as used herein, includes, but without limitation, any individual, partnership, association, corporation or other form of enterprise engaged in the Industry either as an employer or on his or its own behalf.

Section 5. The terms "President", "Act", and "Administrator" as used herein, shall mean respectively the President of the United States, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

Section 6. The term "Basic Code", as used herein, is defined to mean the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating

Industry, as approved by the President on the 2nd day of November, 1933.

SECTION 7. The term "Supplementary Code Authority" as used herein, means the agency which is to administer this Supplementary Code as hereinafter provided.

SECTION 8. The term "Supplementary Code Committee", as used herein, is defined to mean the Board of Directors of the Vise Manufacturers Association, authorized by that Association to present this Supplementary Code.

SECTION 9. The term "Secretary", as used herein, is defined to mean the Secretary of the Supplementary Code Authority.

SECTION 10. The term "Confidential Agent", as used herein, is defined to mean the impartial agency designated by the Supplementary Code Authority.

SECTION 11. The term "Federation", as used herein, is defined to mean the Fabricated Metal Products Federation or its successor.

SECTION 12. The term "Association", as used herein, is defined to mean the Vise Manufacturers Association or its successor.

SECTION 13. The term "special product", as used herein, is defined to mean a product of the Industry manufactured by a member of the Industry according to specific design and/or marking and/or other specifications stipulated by the purchaser, for sale to one such purchaser alone.

ARTICLE III—EMPLOYMENT PROVISIONS

This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, and without limitation the wage, hour and labor provisions in Article III of its Basic Code as approved by the President November 2nd, 1933, including Section 1 of said Article III, by which the provisions of Sub-section (1), (2) and (3) of Section 7 (a) of Title I of the Act are made conditions of this Code, are specifically incorporated herein and made a part hereof as the wage, hour and labor provisions of this Supplementary Code.

ARTICLE IV—ORGANIZATION AND ADMINISTRATION

SECTION 1. During the period not to exceed sixty (60) days following the effective date of this Supplementary Code, the Supplementary Code Committee shall constitute a Temporary Supplementary Code Authority, until the Supplementary Code Authority is elected.

There shall be constituted within the sixty (60) day period a Supplementary Code Authority consisting of the President of the Association who shall be an ex-officio member with full voting powers and five (5) elected members, to be elected by the members of the Industry at a meeting called by the Temporary Supplementary Code Authority upon ten (10) days' notice sent by registered mail to all members of the Industry, whose names may be ascertained after diligent search, who may vote either in person or by proxy. The members of the Supplementary Code Authority first elected shall serve for one year or until such time as their

successors are elected. Thereafter, members of the Supplementary Code Authority shall be elected at a meeting of the members of the Industry to be held at the time and place of each annual meeting of the Association to serve until the following annual meeting, due notice of the time and place of the election to be sent to all members of the Industry whose names may be ascertained after diligent search.

The members of the Supplementary Code Authority, except the President of the Association, shall be elected in the following manner:

(a) One (1) member, who is a member of the Industry and a non-member of the Association, may be elected by a majority vote of all non-members of the Association who are present, either in person, or by proxy, each member to have one vote.

(b) Four (4) members by a fifty-one percent (51%) vote of the members of the Association present, either in person or by proxy, weighted on the basis of one vote for each member of the Industry and one additional vote for each five thousand dollars ($5,000.00) of annual net sales in the previous calendar year reported to the Supplementary Code Authority, or any agency designated by it, provided, however, that no one member may cast more than twenty-five percent (25%) of the total number of votes cast.

A vacancy in the membership of the Supplementary Code Authority shall be filled by a majority vote of the remaining members of the Supplementary Code Authority, provided, however, that the vacancy shall be filled from the class of membership in the Supplementary Code Authority in which such vacancy occurs.

In addition thereto the Administrator may appoint a member of the Supplementary Code Authority who without vote shall serve without expense to the Industry, unless the Supplementary Code Authority agrees to pay such expense. The representative who may be appointed by the Administrator, shall be given reasonable notice of and may sit at all meetings of the Supplementary Code Authority.

SECTION 2. Each trade association directly or indirectly participating in the selection or activities of the Supplementary Code Authority shall: (1) impose no inequitable restrictions on admission to membership, and (2) shall submit to the Administrator true copies of its Articles of Association, By-Laws, Regulations and any amendments made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

SECTION 3. In order that the Supplementary Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and, thereafter, if he shall find that the Supplementary Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require appropriate modification of the Supplementary Code Authority.

SECTION 4. It being found necessary in order to support the administration of this Supplementary Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Supplementary Code Authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Supplementary Code.

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry.

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contribution as above set forth by all members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Supplementary Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only member Industry complying with the Supplementary Code and contributing to the expenses of its administration as hereinabove provided, unless duly exempted from making such contributions, shall be entitled to participate in the selection of members of the Supplementary Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

The Supplementary Code Authority shall neither incur nor pay any obligation substantially in excess of the amount thereof as estimated in its approved budget, and shall in no event exceed the total amount contained in the approved budget except upon the approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved.

SECTION 5. The Supplementary Code Authority shall have all the powers and duties which shall be necessary and proper to enable it to fully administer this Supplementary Code and to effectuate its purposes.

Without limitation to the foregoing or any other powers or duties provided for in this Supplementary Code, the Supplementary Code Authority shall have the following further powers and duties:

(a) To adopt By-Laws and Rules and Regulations for its procedure.

(b) To obtain from the members of the Industry, through its Confidential Agent, such information and reports as required for the administration of this Supplementary Code. In addition to information required to be submitted to the Supplementary Code Authority, the members of the Industry, subject to this Supplementary Code, shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3(a) of the Act, to such Federal and State agencies as he may designate; provided that nothing in this Supplementary Code shall relieve any member of the Industry of any existing obligations to

furnish reports to any Government agency. No individual report shall be disclosed to any other members of the Industry or any other party except to such other Governmental agencies as may be directed by the Administrator.

(c) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Supplementary Code Authority of its duties or responsibilities under this Supplementary Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(d) To make recommendations to the Administrator for the coordination of the administration of this Supplementary Code with such other codes, if any, as may be related to or affect the members of this Industry.

(e) To appoint a trade practice Committee which shall meet with the trade practice committees appointed under such other codes as may be related to the Industry for the purpose of formulating fair trade practices to govern the relationships between production and distribution employers under this Supplementary Code and under such others to the end that such fair trade practices may be proposed to the Administrator as amendments to this Supplementary Code and such other codes.

(f) To recommend to the Administrator further fair trade practice provisions to govern members of the Industry in their relations with each other or with other industries and to recommend to the Administrator measures for industrial planning, including stabilization of employment.

(g) To furnish from time to time to the Basic Code Authority designated in said Basic Code such information as may be required to be furnished under the terms of the Basic Code.

(h) To appoint a committee, with consumer and governmental representatives designated by the Administrator, to make a study of dimensional and quality standards to be applied to the products manufactured by this Industry. Such committee shall report within at least six (6) months to the Supplementary Code Authority, and if the recommendations of said committee are approved by the Supplementary Code Authority and the Administrator, the standards thus established shall be adhered to by all members of this Industry in manufacturing the products of this Industry.

SECTION 6. Pursuant to the provisions of the Act and subject to such rules and regulations as the Administrator may prescribe, the Supplementary Code Authority shall have the power to investigate all complaints filed with it by one member of the Industry against another member of the Industry. In the event of complaint being registered with the Supplementary Code Authority against any corporate member of the Industry, alleging a violation of this Supplementary Code, the Supplementary Code Authority may cause an investigation to be made by a person mutually agreed upon by the Supplementary Code Authority and the member of the Industry against whom the complaint is filed, or, if they are unable to agree within a reasonable time, by a disinterested person appointed by the Administrator. The Supplementary Code Authority may require

the member complained against to file with such investigator, within such reasonable time after receipt of a copy of the complaint, if the Supplementary Code Authority shall determine, an answer to such complaint accompanied by supporting data. Both answer and data shall be verified by affidavit. The investigator shall examine so much of the pertinent books and records of such member as may be required to verify the statements contained in said answer and/or the accuracy of the data supporting such statements. If the matter cannot thereafter be satisfactorily adjusted within the Industry, the facts may be placed before the Basic Code Authority to be presented to the Administrator for such procedure as he may deem advisable under the Act.

SECTION 7. All individual and private information received by the Supplementary Code Authority through the Confidential Agent, or as a result of investigation shall be held in strict confidence and not disclosed to any competitor or other persons without the permission of the member of the Industry involved.

SECTION 8. To the extent permitted by the Act and subject to such rules and regulations as the Administrator may prescribe, any or all information furnished to the Supplementary Code Authority by any member of this Industry pursuant to the provisions of this Supplementary Code shall be subject to verification by an impartial agency agreed upon by the Supplementary Code Authority and the member of the Industry in question, and, failing such agreement, such impartial agency shall be selected by the Administrator, which impartial agency may check so much of the pertinent books, accounts and records of such members of the Industry as may be required to verify the accuracy of the information so furnished.

SECTION 9. Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the Supplementary Code Authority to the Administrator within three (3) months after the effective date of the Supplementary Code.

SECTION 10. Nothing contained in this Supplementary Code shall constitute the members of the Supplementary Code Authority partners for any purpose. Nor shall any member of the Supplementary Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Supplementary Code Authority. Nor shall any member of the Supplementary Code Authority exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Supplementary Code, except for his own willful malfeasance or non-feasance.

SECTION 11. If the Administrator believes that any action of the Supplementary Code Authority or any agency thereof is unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action. Further action by such Supplementary Code Authority or agency regarding the matter complained of may be taken if approved by the Administrator, but shall not be taken if disapproved by the Administrator within thirty (30) days of notice to him of intention to proceed with such action.

Article V—Cost Finding and Accounting

The Supplementary Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all members of the Industry, and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of this Industry. Thereafter, each member of this Industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Supplementary Code Authority, any agent thereof, or any member of this Industry to suggest uniform additions, percentages or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

Article VI—Open Price Filing

Section 1. Each member of this Industry shall file with a confidential and disinterested agent of the Supplementary Code Authority or, if none, then with such an agent designated by the Administrator, identified lists of all his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this Article referred to as "price terms", which lists shall completely and accurately conform to and represent the individual pricing practices of said member. Such lists shall contain the price terms for all such standard products of this Industry as are sold or offered for sale by said member of this Industry and for such non-standard product of said member of this Industry as shall be designated by the Supplementary Code Authority. Said price terms shall in the first instance be filed within 10 days after the date of approval of this Supplementary Code. Price terms and revised price terms shall become effective immediately upon receipt thereof by said Agent. Immediately upon receipt thereof, said Agent shall by telegraph or other equally prompt means notify said member of the time of such receipt. Such lists and revisions, together with the effective time thereof, shall upon receipt be immediately and simultaneously distributed to all members of this Industry and to all of their customers who have applied therefor and have offered to defray the cost actually incurred by the Supplementary Code Authority in the preparation and distribution thereof and be available for inspection by any of their customers at the office of said Agent. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the Industry and their customers, as aforesaid; provided, that prices filed in the first instance shall not be released until the expiration of the aforesaid 10 day period after the approval of this Supplementary Code. The Supplementary Code Authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon written consent of the Administrator. Upon request, the Supplementary Code Authority shall furnish to the Administrator or any duly designated Agent of the Administrator copies of any such lists or revisions of price terms.

SECTION 2. When any member of this Industry has filed any revision, such member of this Industry shall not file a higher price within 48 hours.

SECTION 3. No member of this Industry shall sell or offer to sell any products/services of the Industry, for which price terms have been filed pursuant to the provisions of this Article, except in accordance with such price terms.

SECTION 4. Each member of this Industry shall furnish the said Agent for distribution with such number of copies of his price list as the Supplementary Code Authority may prescribe.

SECTION 5. No member of this Industry shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms, nor cause or attempt to cause any member of this Industry to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this Article to create.

SECTION 6. The provisions of this Article VI shall not apply to the offer for sale or sale of special products as defined in Article II of this Supplementary Code.

SECTION 7. Nothing in Article VI of this Supplementary Code shall apply to sales to employees for their own use or between members of the Industry, provided that such sales shall not be below cost, and provided further that resale of such products by the purchasing members of the Industry shall be in accord with the provisions of this Supplementary Code.

ARTICLE VII—COSTS AND PRICE CUTTING

SECTION 1. The standards of fair competition for this Industry with reference to pricing practices are declared to be as follows:

(a) Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of this Industry or of any other Industry or the customers of either may at any time complain to the Supplementary Code Authority that any filed price constitutes unfair competition as destructive price cutting, imperiling small enterprices or tending toward monopoly or the impairment of code wages and working conditions. The Supplementary Code Authority shall within 5 days afford an opportunity to the member filing the price to answer such complaint and shall within 14 days make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of N.R.A. which shall render a report and recommendation thereon to the Administrator.

(b) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices. It is intended that sound cost estimating methods should be used and that consideration should be given to costs in the determination of pricing policies.

(c) When an emergency exists as to any given product, sale below the stated minimum price of such products, in violation of Section 2 hereof, is forbidden.

SECTION 2. *Emergency Provisions.*—(a) If the Administrator, after investigation shall at any time find both (1) that an emer-

gency has arisen within this Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of the stated minimum price for a specified product within this Industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Supplementary Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

(b) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of this Industry shall sell such specified products at a net realized price below said stated minimum price and any such sale shall be deemed destructive price cutting. From time to time, the Supplementary Code Authority may recommend review or reconsideration or the Administrator may cause any determination hereunder to be reviewed or reconsidered and appropriate action taken.

Article VIII—Unfair Trade Practices

In addition to the unfair trade practices covered in Article V of the Basic Code, except sections A, B, and F thereof, which are made a part hereof the same as though repeated and set forth at length, for all purposes of this Supplementary Code, the following described acts shall constitute unfair trade practices. Any member of the Industry who shall use or employ any of such unfair trade practices shall be guilty of a violation of this Supplementary Code.

Rule 1. *Secret Rebates.*—No member of the Industry shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, nor shall a member of the Industry secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class, for the purpose of influencing a sale.

Rule 2. No member of the Industry shall withhold from, or insert in, any invoice a false record wholly or in part of the transaction represented on the face thereof.

Rule 3. No member of the Industry shall permit the splitting of commissions or other compensation for the sale of any product of the Industry received by his employee or agent with the buyer, or his agent, for the purpose of influencing a sale.

Rule 4. No member of the Industry shall offer or give prizes, premiums or gifts to purchasers or their agents in connection with the sale of products of the Industry or as an inducement thereto in any manner which involves commercial bribery in any form.

Rule 5. No member of the Industry shall give any allowance for used products of the Industry unless sold with the privilege of

return. Nothing contained in this rule shall be construed to prohibit a member of the Industry from allowing credit for or making free replacement of any product of his own manufacture because of errors in shipment or which is defective either as to material or workmanship.

Rule 6. No member of the Industry shall give catalog allowances to distributors or those persons publishing for them. Nothing contained in this rule shall be construed to prohibit legitimate and bona fide advertising allowances.

Rule 7. No member of the Industry shall guarantee prices on products of the Industry, except special products, against decline beyond the date of shipment.

Rule 8. No member of the Industry shall accept an order at old prices as published in accordance with the provisions of Article VII, after the effective date of any change in price.

Rule 9. No member of the Industry shall accept an order for future delivery unless the terms of sale as to price, specifications and delivery are definitely stated, provided, however that the provisions of this Rule shall not apply to the sale of special products.

Rule 10. No member of the Industry shall fail to brand the products of the Industry manufactured by him with his trade-mark, trade-name or some other mark of identification.

Rule 11. No member of the Industry shall accept return of merchantable surplus goods except for merchandise credit only, such credit to be subject to deduction for transportation costs, for any necessary refinishing, and a charge for handling. Nothing in this Rule 11 shall be construed to conflict with the provisions of Rule 5 of this Article.

Rule. 12. No member of the Industry shall grant any more favorable terms of payment than 60 days net from date of shipment or 2% for cash, on the tenth day of the month, for shipments made during the preceding month.

Rule. 13. No member of the Industry shall ship goods on consignment except under circumstances to be defined by the Supplementary Code Authority where peculiar circumstances of the trade or industry require the practice.

Rule. 14. No member of the Industry shall brand or mark or pack any goods in any manner which is intended to or does deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, substance, character, nature, finish, material, content or preparation of such goods.

Article IX—Export Trade

No provisions of this Supplementary Code relating to prices or terms of selling, shipping or marketing, shall apply to export trade or sales or shipments for export trade. "Export Trade" shall be as defined in the Export Trade Act adopted April 10, 1918.

Article X—Modifications

Section 1. As provided in Section 10 (b) of the Act, the President may from time to time cancel or modify any order, approval, license, rule or regulation issued under Title I of the Act.

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SECTION 2. This Supplementary Code, except as to provisions required by the Act, may be modified and/or amended on the basis of experience or changes in circumstances, such modifications and/or amendments to be based upon application by the Supplementary Code Authority or other representative group within the Industry to the Administrator and such notice and hearing as he shall specify and to become effective as part of this Supplementary Code on the approval by the President.

ARTICLE XI—MONOPOLY

No provision of this Supplementary Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress or discriminate against small enterprises.

ARTICLE XII—PRICE INCREASE

Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases, except such as may be required to meet individual cost, should be delayed, and when made, such increases should, so far as possible, be limited to actual additional increases in the sellers' costs.

ARTICLE XIII—EFFECTIVE DATE AND DURATION

This Supplementary Code shall become effective at 12:01 o'clock A.M., Eastern Standard Time on the tenth day after it is approved by the President and shall continue in effect until June 16, 1935, or the earliest date prior thereto on which the President shall, by proclamation, or the Congress shall, by joint resolution, declare that the emergency recognized by Section 1 of the National Industrial Recovery Act has ended.

Approved Code No. 84—Supplement No. 50.
Registry No. 1399-61.

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